DOCUMENT RESUME

ED 106 179 SO 008 268

AUTHOR Goldberg, Robert

TITLE Prospects for United States-China Relations. Wingspread Report.
INSTITUTION Johnson Foundation, Inc., Racine, Wis.
SPONS AGENCY National Committee on United States-China Relations, New York, N.Y.
PUB DATE Jan 75
NOTE 52p.; Proceedings of Wingspread Conference (May 1974)
AVAILABLE FROM The Johnson Foundation, Racine, Wisconsin 53401 (single copies free)

EDRS PRICE MF-$0.76 HC Not Available from EDRS. PLUS POSTAGE
DESCRIPTORS Armed Forces; Conference Reports; Disarmament; Economic Factors; Foreign Countries; Foreign Diplomats; *Foreign Policy; *Foreign Relations; Political Influences; *Political Issues; *World Affairs; World Problems
IDENTIFIERS *China

ABSTRACT

A meeting of 30 China scholars and specialists in foreign affairs was held May 5-7, 1974, to explore the views and interpretations held by the group on timely issues of United States-China relations. This report outlines and elaborates the issues defined by the conference participants, provides brief background about each, and summarizes the range of opinions expressed on the subject. The issues reported on are domestic, political, and economic developments in China; the Sino-Soviet conflict; Chinese-Asian relations; international economic problems; and international arms control. Included are likely ways that these issues will affect United States relations with the People's Republic of China. One section of the report details the current state of United States-China relations, specifically covering the motivations of both China and the United States for the new relationship, the Shanghai Communique and the question of Taiwan, the view of the relationship from Taipei and Tokyo, and Sino-American trade relations. A list of conference participants is included along with a narrative of the Johnson Foundation programs in United States-China policy at the end of the report. (Author/ND)

U.S. DEPARTMENT OF HEALTH
EDUCATION & WELFARE
NATIONAL INSTITUTE OF
EDUCATION

ED106179

WINGSPREAD REPORT

PROSPECTS FOR UNITED STATES-CHINA RELATIONS

WINGSPREAD

THE JOHNSON FOUNDATION

00002

This report has been prepared and distributed by The Johnson Foundation. The Foundation encourages the examination of a variety of problems facing the midwest, the nation, and mankind. In the belief that responsible analyses and proposals should reach a substantial audience, The Johnson Foundation reprints various papers and reports. Publication, of course, does not imply approval.

Additional copies of this report may be obtained from The Johnson Foundation, Racine, Wisconsin 53401.

00003

67190103

PROSPECTS FOR UNITED STATES-CHINA RELATIONS

Wingspread Conference

sponsored by

National Committee on United States-China Relations, Inc.

in cooperation with

The Johnson Foundation

May, 1974

Report prepared by

Robert Goldberg

CONTENTS

PREFACE

INTRODUCTION Page 1

I. DOMESTIC DEVELOPMENTS IN CHINA Page 5

A. The "Criticize Confucius and Lin Piao" Campaign
B. The Succession Issue and Related Developments
C. Economic Issues

II. UNITED STATES-CHINA RELATIONS Page 13

A. Motivations for the New Relationship
B. The Shanghai Communique and the "Question" of Taiwan
C. The View from Taipei and Tokyo
D. Sino-American Trade Relations

III. THE SINO-SOVIET DISPUTE Page 27

IV. CHINESE-ASIAN RELATIONS Page 30

A. Korea
B. Indo-China
C. Japan
D. India

V. INTERNATIONAL ECONOMIC ISSUES Page 33

VI. INTERNATIONAL SECURITY AND ARMS CONTROL ISSUES Page 35

A. Navy
B. Nuclear Weapons and Arms Control

LIST OF CONFERENCE PARTICIPANTS

THE JOHNSON FOUNDATION PROGRAMS IN UNITED STATES-CHINA POLICY

PREFACE

Placing this report in your hands is an effort to share the thought and discussion of a group of China scholars and other foreign affairs specialists, all from the United States, who met at Wingspread. Out of individual experience, in many instances based on recent travel to the People's Republic of China, each participant expressed views about United States-China relations, present and future.

If this report conveys vitality you may attribute it to the diversity of the participants' views and their freedom of expression. Some proposed, others challenged. At all times it was a forum of and for receptive minds.

The publication is intended to reach out to those who could not be present, but who appreciate the many-sided importance of United States-China relations. We believe it will inform and support those who have concluded that we must understand the nature and scope of the revolution in China if we are to construct and conduct a relationship which will progress to a stage of sustained stability with the People's Republic of China. To work for this is a reasonable course for the leaders and people of both countries, and it is essential for peaceful relations.

Leslie Paffrath
President
The Johnson Foundation

INTRODUCTION

In the late 1960s, Americans had little reason to believe that Sino-American relations would undergo significant change in the immediate future or that the newly-elected Republican President, long known for his antipathy to communist governments, would substantially alter American policy toward the People's Republic. Even if the United States did make or receive discreet inquiries about a possible "new" relationship, it seemed likely that the Chinese leadership (apparently united at the Ninth Party Congress in 1969 after a decade of intra-party conflict) would demand too high a price (major U.S. concessions on the status of Taiwan and America's defense posture in East Asia) to permit real progress.

Both of these assumptions proved erroneous. Behind an outward facade of unity, China's leaders were engaged in an intense debate over developmental priorities and foreign policy. Not until late 1971 did the outside world learn how serious that struggle was: Defense Minister Lin Piao, Mao's chosen successor, reportedly had been killed in an airplane crash following an abortive coup; and Deputy Minister of Propaganda Ch'en Po-ta, once described as Mao's closest comrade-in-arms, had been purged for "extreme leftism." One of the issues dividing Lin from Mao may have been his disagreement with the Chairman's decision to set in motion a change in relations with the United States, a change which some scholars argue the Chinese had actually desired since the founding of the People's Republic in 1949. Only now, at a time when America was redefining her own role in the world in the aftermath of the Vietnam War, did the United States also appear ready to substantially overhaul its China policy.

A major driving force for "detente" was the Sino-Soviet dispute, both ideological and geo-political in nature, which, after several bitter skirmishes along the common eastern border, was in danger of escalating into full-scale war. For China, the first tentative steps toward rapprochement with the United States were designed to offset the Soviet threat by increasing China's diplomatic leverage with another potentially hostile major power; for the United States, ending America's quarter-century-long separation from China seemed an integral part of disengaging from Vietnam, and of a new post-Cold War policy of accommodation, if not friendship, with former antagonists, reflecting Dr. Kissinger's "multipolar" balancing act. Each country, accepting the political and diplomatic problems the other faced in formulating a new relationship, refrained from making impossible demands or insisting upon direct repudiation of past policies. With President Nixon's visit to China in February, 1972, and the resulting Shanghai Communique, the establishment of Liaison Offices in Peking and Washington in 1973, the dramatic upsurge in bilateral trade ($800 million in 1973, perhaps $1 billion in 1974), and the beginning of cultural and educational exchanges, the new relationship seemed to be "normalizing" at an orderly pace.

Events of late 1973 and throughout 1974, however, underlined the difficulties and tenuousness of the normalization process. In China, an intensive mass campaign to criticize the fifth century B.C. philosopher Confucius and his supposed modern-day disciple Lin Piao was ignited in mid-1973, though the rest of the world was not fully aware of its importance until a February 2, 1974 issue of People's Daily proclaimed a new Cultural Revolution "initiated and personally led by . . . Chairman Mao." The fundamental purpose of this campaign and its ramifications for China's domestic and foreign policies remain unclear But one manifestation seemed to be a questioning by some Chinese leaders of China's increasing international cultural relations. The composers Beethoven,

Schubert, and Respighi, whose works had been played in China by several Western orchestras (including the Philadelphia) during 1973, were criticized as "bourgeois"; Italian director Michelangelo Antonioni's film China was attacked as "viciously distorted" and an "insult to the Chinese people," and Antonioni himself was labeled a "Soviet Agent"; even the popular American novelette, Jonathan Livingston Seagull, a simple allegory of freedom, was condemned for its "subjective idealism." The criticism of Western culture appears to have been muted by mid-1974, but continuing attacks on bourgeois influences in China have been seen by some observers as one way of expressing dissatisfaction with Chinese foreign policy (and, by implication, with the leaders who formulate it).

During this sensitive period, the U.S. took several steps which, in the view of many analysts, heightened Peking's debate about detente. The almost immediate replacement of the retiring American ambassador to Taiwan by a distinguished senior diplomat, and the opening within the U.S. of two new Taiwan consulates, might well have been viewed in Peking as contrary to the spirit of the Shanghai Communique. In any event, early 1974 seems certainly to have been a delicate time in the new U.S.-China relationship.

Concern with the Mao-Chou succession coincided with a leadership crisis in the United States: the threatened impeachment and ultimate resignation of a President. Although the Watergate fall-out did not specifically call into question Richard Nixon's basic foreign policy initiatives, it did lead to speculation that the President, whether Nixon or Ford, might use foreign policy as a distraction from domestic crises. Might the President settle for the semblance rather than the reality of a "major breakthrough" in America's relations with China? And in an era of increasing Congressional and public demands for accountability, would political and civic leaders allow that to happen?

* * * * * * * * * *

With priorities in Peking and Washington constantly, if subtly, changing, and with the Sino-American relationship itself apparently in transition, the National Committee on United States-China Relations, with the cooperation of The Johnson Foundation, convened a meeting of 30 China scholars and specialists in foreign affairs to assess "The Prospects for United States-China Relations." Held on May 5-7, 1974, the conference dealt with four distinct issues:

- Political Developments in the People's Republic of China: Implications for China's Foreign Policy
- Political Developments in the United States: Implications for American Foreign Policy
- Chinese and American Foreign Policy Goals: Convergence and Conflict
- Prospects for United States-China Relations: Key Issues in the Years Ahead

In considering these issues, no attempt was made to reach a consensus, but rather to explore the variety of views and interpretations held by this diverse group of specialists on China and foreign affairs. Neither is this report intended as a complete record of the discussions. It is, rather, an attempt to outline and elaborate the issues defined by the conference participants, provide some brief background about each, and summarize the range of opinions expressed on such subjects as domestic political and economic developments in China, the Sino-Soviet conflict, Chinese-Asian relations, international economic problems, and international arms control as they are likely to affect United States relations with the People's Republic of China. Finally, any such summary is vulnerable to the passage of time, with events in China and the U.S. outpacing the report writing and printing process. While developments since the conference have broadened our understanding, basic issues remain the same.

I. DOMESTIC DEVELOPMENTS IN CHINA

Political unity is an elusive thing for any government to achieve, but Western scholars have persistently sought to find it in the ruling structure of China. Surface harmonies have masked serious differences about how best to implement important social, economic, and foreign policies. While those disagreements are normally argued out in private meetings, they do periodically break out publicly, if obliquely, as focal points for mass campaigns.

A. The "Criticize Confucius and Lin Piao" Campaign

The benchmark for assessing recent political developments in China was considered to be the 10th Party Congress in August of 1973, after which the campaign to "criticize Confucius and Lin Piao" began to emerge, reaching major proportions following publication of the February 2nd editorial mentioned earlier. Wall posters appeared everywhere, intensive study and criticism sessions were held in schools, factories, and neighborhoods, and periodic reports of turmoil reached the outside world. By June, shortly after the Wingspread conference, there were signs that the campaign had slowed somewhat, or at least taken a new turn, as calls for improving and increasing economic production seemed to take precedence under its banner. Even this brief summary suggests that the campaign underwent several stages, and that the motivations may have changed over time.

The arcane nature of Chinese politics has caused considerable confusion among China scholars trying to understand the latest campaign, and the scientific rationale for linking and discrediting a recent political leader (Lin) and an ancient sage (Confucius). Its polemics have been exceedingly rich in historical and literary allusion, especially to the time of the first emperor of the Ch'in dynasty, Shih Huang-ti (c.260-210 B.C.). Shih Huang-ti's struggle against the "poisonous weeds" of Confucianism may be an analogy that Mao finds personally

relevant. Since Confucianism did succeed in becoming the philosophical, though not the legal, foundation of the Chinese state after the fall of the Ch'in in 206 B.C., Mao may well fear a similar fate ("revisionism") after he dies.

There was considerable disagreement among the conference participants about the meaning and direction of the campaign. Some viewed the "Anti-Confucius" movement as an attempt by a faction led by Premier Chou En-lai to pre-empt "leftist" dissatisfaction with the new policies of the 1970's; others saw it as a critique by a group allied with Madame Mao (Chiang Ch'ing) against those "moderates" who have slowed the development of the "new socialist things" of the Cultural Revolution. Still others eschewed factional interpretations, and considered the movement as an effort to renew the commitment of the people to the goals of the government, fight "bureaucratism," and assure that cadres will continue being responsive to public needs.

Not only did the campaign mean different things at different times, it may have meant different things to different people at the same time. Some conference participants felt we don't know enough to say much about it; while agreeing that power struggles were going on, they felt we did not have enough information to decide what exactly they represented.

Despite the variety of interpretations, the participants agreed that the campaign has both reflected and created increasing tension inside China. They characterized it as a "controlled" tension, but which could, of course, eventually take a violent turn. Indeed, there appear to have been a number of violent clashes in various parts of China, and the Chinese themselves have insisted that "conflict" is a permanent feature of their revolution. But it was felt that China's leaders are wary of a repetition of the administrative and economic breakdowns which occurred during the Cultural Revolution of the mid-60s, and are unlikely to let it get seriously out of hand.

B. The Succession Issue and Related Developments

The "Anti-Confucius" campaign emerged at a time when concern with the shape of China's future political leadership was mounting. This concern seemed to be reflected in a number of specific issues: the rehabilitation of once-discredited cadres, the tension between central and regional authority, and the reassertion of party control over the military.

The rehabilitation of many cadres disgraced during the Cultural Revolution has provided the central government with more administrative and technical competence than it has had at any time since 1966. But their presence apparently has also caused concern, among certain Chinese leaders, that they might advocate and implement policies reminiscent of the pre-Cultural Revolution period. One panelist speculated that the new campaign may be directly tied to the rehabilitation of cadres and asked whether it might demonstrate how the central government guards against backsliding and "elite commandism," an important reassurance for many Cultural Revolutionaries.

Although central authority undoubtedly has been increased by the return of these politically-wise cadres, there was some disagreement at the conference about whether last winter's shift of key military commanders away from regional areas they had dominated for a decade or more has had a reverse effect. One explanation offered for this shuffle is the government's possible desire to separate the military commanders during the Cultural Revolution, and to eliminate any doubt that the party was in control. One important consequence of these reassignments has been the creation of administrative vacuums in areas where the departing figures had also run the local government bureaucracy.

While the role of the individual military leaders has been redefined, the military itself retains considerable prestige and influence. The opportunity to serve in the People's Liberation Army is still sought by many young Chinese,

in preference to being "sent down" to the countryside for practical labor; the political interests of the military are represented by influential members in the Politburo. Actually, in the opinion of some conference participants, the shuffle of military personnel was not made to consolidate central authority at the expense of regional initiative, but rather to maintain a form of decentralization which is also more responsive to the wishes of the center--another one of those delicate balances for which the Chinese leadership has shown such great fondness.

Probably the most important questions confronting China in the next few years are, "Who will succeed Mao Tse-tung?" and "Who will succeed Chou En-lai?" More generally, "Who will take over from the old generation of Yenan-day revolutionaries when it finally passes into history?" This is not simply a question of the person (or people) who will assume leadership, but of the basic policies they will advocate over the next decade.

In speculating about the composition and policies of China's future leadership, many conference participants sought guidance by focusing on the roles of her current leaders and the extent to which they have been successful in realizing their objectives. Have those closely identified with the Cultural Revolution been able to sustain and apply its values in governmental economic decisions, educational practices, or diplomatic initiatives? Conversely, have those leaders who brought China out of her diplomatic isolation of the mid-60s, and who seem to emphasize industrial and agricultural productivity over the rectification of social inequalities, been able to maintain their policies against peer criticism.

Mao's own role in determining the post-Mao succession was a subject of considerable debate. Can he influence it? Is he still "in command," directly involved in making even minor decisions? Is he merely a weak, symbolic leader whose name is invoked to justify current policies (or policy disagreements) but

whose counsel is rarely heeded? Or is he, at the age of 80, a skillful balancer, "dividing one into two," letting debates run their course before stepping in to prevent irreconcilable divisions within the leadership, and, by intervening, setting in motion other debates? Most of the participants saw Mao in this third role. At a time of political and cultural ferment in the People's Republic of China, he has been sensitive to a variety of views and able to use his authority to keep the ruling structure intact. Of course, this does not preclude Mao's approval of the purges of certain members of the elite when and if they "betray" his policies.

In the view of most participants, Mao hopes that a coalition government, responsive to many interest groups in China, will succeed him, in the absence of a single, obvious candidate. But coalition governments historically have not been long-lasting, and just how much authority such a regime in China would have is unclear. Would it be a weak captive of organizational and bureaucratic interests, a government overly susceptible to attack from both within and without on ideological issues? Would certain groups make too many concessions to the military for their support in a possible showdown, with the end result being a military coup? Would a form of regionalism emerge as the center weakens? Or, as usually happens with coalition governments, would a first among equals take control? This might be Vice Premier Teng Hsiao-p'ing, a man once considered second in villainy only to China's former President Liu Shao-ch'i, yet of undeniable organizational skills and considerable intra-bureaucracy contacts. One specialist worried that until this question of leadership was resolved following Mao's death, mid-level bureaucrats might refrain from carrying out certain policies for fear they would be called to account for their actions by future leaders. The resulting bureaucratic paralysis could be exceedingly detrimental to China's own national interests.

One thing does appear likely: Mao's successor(s) will rule China quite differently than did Mao and his generation. One panelist speculated that with Mao's death will come the passing of the Yenan-brand of communism, with its insistence that a person be both "red" and "expert." In its place might be a leadership more willing to sacrifice ideology and to compromise on social issues in order to ensure economic development. Some saw the emergence of a leadership less willing to compromise ideologically on international issues than were their elders, yet even more anxious to play a major role in world affairs; a few speculated on the creation of a "fortress" China, isolated from international pressures, turning inward.

C. Economic Issues

In a country where "politics takes command," political considerations (the succession, ideology, national security, etc.) are constantly in mind in the formation of economic policy. Economic decisions at variance with Mao's political and social values have resulted, at times, in the removal from power of other key leaders, notably Liu Shao-ch'i during the Cultural Revolution. Conversely, political and social views which do not fully take into account the economic realities of a country can also pose problems for a leader -- witness Mao's presumed "retirement" from government, though not party office, following the Great Leap Forward of the late 1950s.

Although China's Gross National Product (GNP) has grown at an annual rate of 4 to 5% for the past decade (and reportedly 8% in 1974), it has been an uneven growth, marked by mass campaigns and emphasis on social and political goals. Conferees disagreed about the extent of China's current and projected agricultural problems. Some asserted that the economic system had been quite inefficient, at least by Western standards; agricultural development has been period-

ically sacrificed to the demands of industry and at other times industry has been treated as an appendage of agriculture, producing goods primarily for the rural sector. Some felt that China's leaders were becoming increasingly apprehensive that agriculture alone, even under maximum conditions, will not be able to produce the surplus necessary for steady industrial development. If so, Peking might seek to further expand its international trade or solicit capital and credits from other countries. Others, however, argued that although agriculture may be in some trouble, it was not grave enough to warrant changing China's basic developmental strategy of "self-sufficiency" and avoiding dependency relationships with foreign countries.

Most of China's economic growth in the past decade has been in heavy industry and consumer products. In fact, 30-40% of China's GNP now comes from industry, and if accelerating economic growth of this sort is still planned, increased purchases of whole plants and sophisticated technology will be essential. China already has made such purchases, importing turn-key projects from the United States, Western Europe, and Canada. One way to earn the capital for such expensive purchases is to orient certain industries or products specifically to the export market, a step which China's leaders have been reluctant to take. Any real softening of the "self-reliance" principle could invite criticism of "selling out" to foreign interests, a charge to which the Chinese are particularly sensitive given their historic legacy of foreign exploitation and, in the 1950s, the Soviet's "betrayal."

A decision to rely heavily on foreign trade would also create a dependency on an international market economy over which they have little control. Though the circumstances might differ from those faced by Western countries in the "energy crisis" (China is developing a sizeable petroleum surplus), the domestic consequences of increased links with the international economy are great: how

to choose and educate those who will be handling sophisticated machinery and administering large factories (must they be both "red" and "expert" or just technically competent?); how to distribute new plants and technology and, hence, local authority to the provinces; how to handle new bureaucratic interests which will surely come with increased industrial and agricultural development, etc.

If Chinese leaders decide to import heavily -- despite these problems -- a potentially large source of foreign exchange lies in their country's vast oil resources. Only in recent years has China produced a petroleum surplus; yet, according to informed estimates, China could be exporting between 50 and 100 million tons of oil each year by 1985. By contrast, the Middle Eastern countries now export 400 million tons of oil annually, while Japan imports over 300 million tons.

Most conferees assumed that during the next few years, China will be selectively importing technology and receiving some credits in the form of "deferred payments," but not to the extent that trade will require a dramatically larger export economy. Foreign trade will probably continue to be subordinate to broader foreign policy interests, so that computer technology, for example, will be imported from three or four countries rather than from just one. Any spectacular take-off in the economy will have to await a larger decision to re-evaluate the kind of economy China needs to compete in the international arena while maintaining viable political relationships on all important fronts.

II. UNITED STATES-CHINA RELATIONS

During the 1950s and '60s, the dominant features of American policy toward China were negative: containment and isolation. Containment brought war with China over Korea in 1950, the threat of war over a possible Chinese invasion of Quemoy and Matsu in 1958, and the fear of war if China intervened in Vietnam in the mid-1960s. Isolation meant the denial of diplomatic recognition to the People's Republic of China by the United States and her allies (both bilaterally and in international organizations) and a trade embargo against the People's Republic of China replete with reprisals against U.S. trading partners who violated it.

Some steps toward change were advocated in the 1960s. (See James C. Thomson's article, "On the Making of U.S. China Policy," in The China Quarterly, April/June, 1972.) But America's China policy remained basically similar to what it had been in the preceding decade. At the outset, the Indo-China War increased suspicion and distrust between the two countries: the U.S. bombed "close" to China's borders; China became more vocal in its support of "just peoples' wars" in Vietnam and Laos. Especially irritating to Peking was America's use of Taiwan as a support base for troops in Vietnam. But as the tragic war progressed, each side began to realize that the other had limited and, in context, rational ambitions.

In the U.S., new administrations -- particularly those of a party long out of power -- can bring new perspectives to old problems. And in 1969, the new perspective of the Nixon administration included "winding down" the war in Vietnam and beginning a dialogue with the People's Republic

Remarkably, adverse reactions to the government's new China policy among the American people were fragmentary -- a brief lashing of the China Lobby's

tail, a conservative backlash reflected in the short-lived Presidential candidacy of John Ashbrook, but little else. One reason why these few responses did not strike more generally sympathetic chords may have been the deliberate manner in which American policy in East Asia was transformed: a gradual decline in the "high profile" involvement in Indo-China; attention to the interests of other powers in the area and to the new "reasonableness" of communist leaders; and the cautious way in which changes in United States China policy were announced. The earliest changes were low-key, and largely economic. In July of 1969, American travellers were allowed to bring into the United States up to $100 worth of goods made in the People's Republic. Then, trade with China through third countries was allowed, freely on certain products and with government licenses on others. Travel restrictions were relaxed. None of these steps brought significant negative reactions. Then came the key reciprocal response from Peking, on the cultural front -- the invitation to an American table tennis team to visit the P.R.C. in April of 1971. The stage was now set for Henry Kissinger's famous "stomach-ache" during a trip to Pakistan in July of 1971. Officially, Mr. Kissinger was in bed recuperating; unofficially, he was in Peking making preliminary arrangements for President Nixon's visit to Peking seven months later.

A. Motivations for the New Relationship

The Kissinger and Nixon visit to the People's Republic resulted from a complex reconsideration by American and Chinese leaders of the value of improving bilateral relations. Various conferees suggested that the following may have been promoted on the Chinese side:

1. Reducing the Soviet military threat. Since 1959, China and Russia have engaged in a polemical war which has periodically

erupted into military hostilities along their common border. The Chinese appear to have been seriously worried about a possible preemptive strike by the Soviets on their missile sites and nuclear research installations. On this issue, the new relationship with America has been a plus for China, since the United States can warn the Russians that it is not in the U.S. interest, or in the interests of detente, for the Soviet Union to engage in military action against China.

2. Normalizing relations with a major power before the passing of Mao and the "Yenan" revolutionary generation. The picture of Chairman Mao and President Nixon shaking hands and exchanging pleasantries on the front page of People's Daily meant that future leaders advocating a diplomatic tie with the United States could not be accused of forsaking part of Mao's legacy. Liaison Offices, moreover, have institutionalized the relationship, making the eventual departure of major Chinese leaders less of a threat to the Sino-American connection.

3. Reducing the American military threat. This objective inherent in the partial United States withdrawal of men and materials from Southeast Asia, is another diplomatic gain for the P.R.C., but one which will not have realized its full potential until the U.S. presence is removed from Taiwan.

4. Further reducing both the possibility of a military threat from the Chinese Nationalists on Taiwan and Taipei's diplomatic leverage with the U.S. The United States appears

to have assured Peking that it would not support any Taiwan-inspired attacks against the P.R.C. But on the issue of Peking's desire to recover the island, the U.S. position is less clear, and will be considered in greater detail in the next section.

5. Achieving genuine equality in the international system through the implicit U.S. recognition of the People's Republic as the sole legitimate government in China. President Nixon's July, 1971, announcement of his planned visit to China virtually assured the expulsion of Taiwan and the seating of the P.R.C. in the United Nations, official statements to the contrary not withstanding. Since their seating, the Chinese have used the United Nations as a forum from which to begin negotiations for diplomatic relations with well over a dozen countries.

6. Increasing China's trading options and taking advantage of possible imports of high technology items and food grains from the United States.

Various conferees suggested that the factors which American leaders took into consideration in re-evaluating U.S. policy toward China were, in large measure, similar to Chinese concerns, though obviously from a different perspective:

1. Establishing more direct and regular contact with the People's Republic to bring American policy more into line with political realities.

2. Trying to defuse the Taiwan issue and in the context of normalizing our relationship with the P.R.C., generate a process through which this issue could be settled by other than forceful means.

3. Extricating the United States from its military involvement in Vietnam. It seems likely that the Chinese agreed not to exacerbate the conflict in Indo-China and perhaps encouraged Hanoi to act accordingly during the withdrawal of American military forces (which, in turn may have cost Peking the support of the more radical communist movements around the world.)

4. Reducing the dangers of a major military conflict between China and Russia, while at the same time gaining diplomatic leverage from the Sino-Soviet dispute. While there clearly would be no benefits to anyone from a military confrontation between China and Russia, America can derive negotiating advantage on certain key issues by its concurrent relationships with the two adversaries, notably in matters of trade and arms control.

5. Easing tensions in the Korean peninsula, and encouraging steps by North and South Korea to discuss their differences and the prospects for reunification more seriously. Although some success has been achieved in this regard, it is unclear how much is attributable to China's role.

6. Reducing America's role as a "world policeman" while encouraging the Chinese to develop both de facto and diplomatic

relationships with non-communist governments. By the late 1960s, the United States had accepted the fact that it could not intervene militarily in every trouble spot in the world. An agreement with China about common interests in East and Southeast Asia would go far toward easing American concerns in that area. America's allies, moreover, would feel less threatened by P.R.C. revolutionary rhetoric if they had formal relationships with Peking. Although American and Chinese interests in Asia still differ considerably, China has begun to normalize its relations with non-communist Southeast and South Asian governments, such as Malaysia, Thailand, and the Philippines.

The Nixon visit to China concluded the initial, preparatory stage of Sino-American rapprochement. With the signing of the Shanghai Communique, the two countries began a period of testing and exploration. Bilateral trade markedly increased, though overwhelmingly in favor of the United States by a margin of 11 to 1; regular exchanges in the scientific, scholarly, cultural, and athletic fields were initiated, and since mid-1971 probably over 8,000 Americans have visited the P.R.C. while approximately 500 Chinese have come to the United States.

In February, 1973, the Sino-American relationship assumed new dimensions with the establishment of Liaison Offices in Peking and Washington. Which side proposed this arrangement is unclear, but the United States may well have been surprised by China's unprecedented willingness to establish a diplomatic presence in a country which technically still had diplomatic relations with Taiwan. The extent to which the Chinese expected the Liaison Offices to accelerate the

normalization of formal relations and the termination of U.S. ties with Taiwan is also unclear, and there is no evidence that any "time table" was either agreed to or implied. But the action did provide both sides with direct and on-going contacts in each other's capital -- contacts that will likely survive leadership changes in either country.

In the months following Secretary Kissinger's visit to China in November, 1973, there was little visible progress in Sino-American relations and, in some interpretations, an actual slowdown in both interpersonal and institutional contacts. The reasons for this are complex, apparently reflecting concerns in both China and the United States, as mentioned briefly above and discussed further below.

B. The Shanghai Communique and the "Question" of Taiwan

Amidst so much agreement in the Shanghai Communique (to work toward normalization of U.S.-China relations, to reduce the dangers of military conflict, to eschew efforts toward hegemony in Asia or joint agreements against any third party, i.e. the USSR), the fundamental long-standing issue remained: the "question" of Taiwan. In the Communique, Peking referred to this as the "crucial question obstructing the normalization of relations between China and the United States." Chinese leaders reaffirmed Peking's claim to be the sole legal government of China and stated that the recovery of Taiwan was an internal affair. The U.S. acknowledged that "all Chinese on either side of the Taiwan Straits maintain that there is but one China and Taiwan is a part of China." The Communique reportedly took an unusually long time to compose because of the delicate wording on the Taiwan question. China had considered the language to be used by the U.S. a critically important issue, evidently insisting that the U.S. refer, in some way, to Taiwan as a "part" of China (presumably to fore-

Participants at the Conference Table

JOHN W. LEWIS and HENRY LIU

ALBERT FEUERWERKER, GADDIS SMITH, RICHARD BAUM, ALEXANDER ECKSTEIN, and DWIGHT PERKINS at the Conference Table.

WILLIAM WHITSON and A. DOAK BARNETT

Photographs by Tom Anger

On the Wingspread Terrace, MICHEL OKSENBERG, JEROME A. COHEN, and ALLEN WHITING join in informal discussion

00027

close any implication of an "independent Taiwan" alternative).

In reviewing the Communique, the Wingspread conferees disagreed over the exact intentions of the separate Chinese and American statements included in it. The U.S. had "acknowledged" that people on both sides of the Taiwan Straits maintain that Taiwan is a part of China -- but if the views of one side (e.g. Taipei) should clearly change, would the United States view then also change? One participant believed that although the Taiwan authorities continue to claim publicly that they are the rightful government of all of China, in practice their accommodations to Sino-American detente have increasingly implied de facto independence.

The P.R.C., on the other hand, had been forthright in its declarations of principle about Taiwan, but left open the question of how and when Taiwan would be "restored." Some conferees speculated that the People's Republic, recognizing that it might not be able to recover the island immediately, actually might be pleased by a long-term American presence in Taiwan, perhaps viewing it as maximizing United States leverage against a possible KMT switch to an "independent Taiwan" policy. Such a U.S. role might also be seen as insurance against domestic instability on the island or Soviet efforts to reach an accommodation with the Nationalists. As long as the U.S. presence is progressively and visibly reduced, Peking would be able to claim progress on the Taiwan issue. Some speakers felt that the Spring '74 appointment of a new U.S. ambassador to Taiwan (the respected senior diplomat Leonard Unger), the almost concurrent opening of two new Taiwan consulates in the United States (Portland and Kansas City), and even the gift of U.S. submarines to Taiwan, were events which Peking might have expected or been braced for.

The participants disagreed significantly on whether or not the Shanghai Communique implied a specific blueprint or timetable for fully normalizing

United States-China relations. Several speakers saw the Communique simply as a statement of intent, which was expected to take a long time to realize in full; one suggested that it was designed primarily to alert governmental and other bureaucracies in both countries to the basic change taking place and the need to prepare for the many problems which might arise. On the United States side, for example, the Department of Commerce had to begin formulating practical rather than theoretical proposals for Sino-American trade; the Department of Defense had to plan a gradual military withdrawal from Taiwan and new defense arrangements for the Western Pacific area. On the Chinese side, the military would need to rethink its posture in the event of a major reduction in the American military presence in East Asia; and the Ministry of Foreign Trade could actively begin researching the U.S. import and export markets. Certainly, both sides have been actively exploring the opportunities and problems generated by the new relationship. But they have just begun, and Secretary of State Kissinger, in remarks he made on June 3, 1974, at a meeting co-sponsored by the National Committee on U.S.-China Relations, may have implied how long it could take for the two countries to exchange ambassadors: "The normalization of relations with the People's Republic of China is a permanent and essential element of our foreign policy. A primary task in the second term of any administration is to leave an ongoing legacy to its successors . . . You know it would be unreasonable to expect a smooth and unchecked progression."*

---

*The November, 1974 announcement that President Ford will visit Peking late in 1975 focused new attention on the timing of normalization and on whether specific policy developments might be expected in connection with the trip.

Although no one denied that the question of Taiwan was an internal Chinese affair, there was general agreement that its resolution might well be influenced by external events. Several participants argued that a realistic policy for Washington would be to encourage Peking and Taipei to negotiate directly with each other, perhaps initiating some intermediary relationship -- through trade, for example -- before settling on a final formula: full integration within the P.R.C. as a province or possibly a form of self-government within the framework of the P.R.C. While these talks were progressing, Washington might phase out its diplomatic relationship with Taiwan, eventually reducing its presence there to the consular level. A formula frequently mentioned (and subsequently proposed by Senator Henry Jackson in August of 1974) is to transfer the U.S. "Liaison Office" from Peking to Taipei, and the Embassy from Taipei to Peking. As formal relations with Taiwan ended, the mutual defense treaty signed in 1954 would ipso facto lapse, without having to be formally abrogated.

Others at the meeting saw the Communique not simply as a statement of intent, but as one which in fact had resolved many issues in the U.S.-China relationship, especially the question of a) American military policy in East Asia and b) Taiwan's legal international status. In their view, United States-China relations could now be normalized within a relatively short period, e.g. two to three years, with the question of the Taipei-Peking relationship deferred for later discussion. They argued that the U.S. was trying to freeze Sino-American relations into a de facto "two China" situation, and that this was intolerable to Peking. They suggested that if there now were new tensions in the Sino-American relationship, these were partly attributable to recent U.S. policy toward Taiwan. The Chinese, they noted, see the recovery of Taiwan as a fundamental principle of their foreign policy, and principle without practice is worthless. If the Chinese think the principle is being disregarded, they may elect

to "take" Taiwan by force, both to make "one China" a reality and to eliminate any possibility that Taiwan will again be used in a way contrary to P.R.C. interests. Although there was wide agreement that Peking could not now capture Taiwan militarily, in some projections China will have the necessary naval capability within the next five years.*

Many conferees concluded that although there certainly was a basis for continued exploration of the issues, there was sufficient ambiguity of intent on both sides for an impasse in the American and Chinese positions conceivably to develop.

C. The View from Taipei and Tokyo

As long as Taiwan remains politically separated from the People's Republic, it will presumably continue to grow along widely divergent economic, political, and social lines, and its fate will be important to other governments, especially the Japanese. This, in turn, will necessarily influence U.S. views and actions.

In Taiwan, the reins of government passed some years ago to Chiang Kai-shek's eldest son, Premier Chiang Ching-Kuo. The elder Chiang had drawn his support primarily from those mainlanders who came to the island with him in 1949. The younger Chiang has attempted to broaden that base by bringing more Taiwanese into the political arena, giving them responsible government positions, and trying

---

* On October 9, 1974, the U.S. Senate repealed, virtually without debate, the 1955 "Formosa Resolution" which had given the President almost free rein to defend Taiwan and the Pescadores against attack. The repeal may have had more symbolic than substantive importance, since the Defense Treaty remains in force, but it does raise the question of what the U.S. in fact would do in the event of the P.R.C. move across the Straits.

to bring their interests more in line with those of the mainlanders. One risk of such a program is the possible alienation of mainlanders who perceive their prerogatives of twenty years threatened. Consequently, they might become susceptible to Peking's appeal to larger Chinese nationalism -- perhaps coupled with implicit assurances that they will find governmental jobs waiting for them after the "restoration." But the prospect for violent rebellion by the Taiwanese remains, whether the KMT opts for full independence for Taiwan or accommodation with Peking. On the other hand, both Taiwanese and mainlanders realize that they face the same problems -- a possible takeover by Peking and a "new life" under Communism; thus, when the chips are down, they might willingly work together to create a viable, independent Taiwan. In this analysis, mainlanders inevitably would give up some of their governing privileges in order to avoid surrendering them all in the long run. This process would clearly depend on the international environment -- the willingness of other countries, especially the United States, to permit the creation of a fully independent Taiwan. Although the entire question would have a different coloration if Taiwan should make a break-through in nuclear weaponry, this possibility was considered highly unlikely.

One country which conceivably could become interested in keeping Taiwan to some degree independent of the P.R.C. is Japan. There are deep divisions in Japan, especially within the ruling coalition, over the government's recognition of Peking and general China policy. This dissatisfaction became more vocal following the signing of the Sino-Japanese air agreement in 1974 and the concurrent Taiwan decision to sever its air treaty with Japan. Opposition leaders perceived an asymmetry in Sino-Japanese interests, believing that Japan had given up a great deal (lucrative air routes to Taiwan) and received very little ("just some possibilities") in return.

The Japanese also have worried about losing their important market for products and investments in Taiwan without assurances of compensation. Should this loss be maximized, the resultant economic instability could well become intolerable for the Japanese. It might also lead to consequences unfavorable to the P.R.C.: closer Japanese cooperation with the Soviet Union on the Siberian oil project (plans for which now seem in abeyance) or a Japanese decision to join the "nuclear club" in an effort to gain new leverage in the constantly changing international environment.

D. Sino-American Trade Relations

Starting from virtually zero in 1970-71, U.S. exports to China in 1972 totalled slightly more than $60 million; by the end of 1973, the figure had jumped over elevenfold to $680 million. But Chinese exports to the United States hardly came close to matching this pace, merely doubling in 1973 from $32 million to $63 million and leaving an eleven-to-one imbalance in the U.S. favor.

This trade imbalance -- consisting heavily of agricultural products and machinery from America, and raw materials and animal by-products from China -- has caused considerable concern on both sides. It probably would be aided only slightly by the extension of the Most Favored Nation (MFN) status to the P.R.C.; but, in the opinion of all conference participants, such a gesture would be symbolically very important.

A major obstacle to MFN status for China was the Jackson-Vanik amendment to the trade bill which was before Congress through most of 1974. Had this amendment (designed to restrict the President from granting MFN to countries which do not allow free emigration) been enacted, the Soviet Union would have

been the principal loser.* But the conferees asked whether or not the United States ought in any case to give preferential MFN treatment to China. Some panelists, believing that the Soviet Union will be the more important trading partner during the next few decades, argued against such action. Others felt that U.S. policy should not be hostage to possible Soviet objections, and argued against formulating America's China policy in relation to Soviet interests. They reasoned that the United States could move ahead with each country at different times, in different ways, and that symbolic equality of treatment was far less important than substantive improvement in the bilateral relationships.

The consensus at the conference was that MFN is a short-term, largely political issue. Other problems loomed more important in improving trade relations. Will the Chinese be willing to start manufacturing specifically for the export market? Will they trade valuable natural resources, in significant amounts, for advanced technical knowledge (e.g. patents) and machinery? If the answers are even "perhaps," then the Chinese must learn a great deal about American marketing, packaging, and advertising practices, U.S. safety and FDA regulations, and the manner in which Americans expect commercial business to be transacted. Even under the best conditions, is the American market for Chinese goods sufficiently large to warrant the time, money, and energy its cultivation will demand?

---

*The Trade Reform Act was passed in December, 1974 without the restrictive amendment, partly as a result of the U.S.-Soviet agreement on Jewish emigration announced in October. It is still highly uncertain, however, that passage of the bill will significantly clear the way to granting MFN to China, at least in the short run, because of many other technical requirements contained in the legislation.

Until the frozen assets issue is resolved -- $200 million of American property held in China, and some $80 million of Chinese assets in the United States since 1949 -- there will be severe barriers to a mutual exchange of trade exhibitions, the landing of ships and aircrafts, etc., all of which (in the U.S., at least) could legally be seized by private claimants.

III. THE SINO-SOVIET DISPUTE

Many conferees considered China's most important international problem to be its ideological and political conflict with the Soviet Union. Since the USSR withdrew its aid and technical assistance from China in 1960, Peking has seen the Soviets as its main antagonist and, especially since the Cultural Revolution, directed its most virulent language -- "aggressors" and "social imperialists" -- against them. China has seemed worried not only about Soviet intentions along the border,* toward China's nuclear arsenal, and in competing for Third World support, but also about possible efforts to influence internal political developments within China itself. If, as the Chinese maintain, the Russians have been able to use ostensibly loyal Chinese communist leaders -- such as Kao Kang (former Chairman of the State Planning Commission), Lin Piao, Peng Teh-huai, and others -- as their "agents," they might also be able to "corrupt" other new leaders during the uncertain transition into the post-Mao era.

---

* During mid and late 1974, Chinese statements in the press and to foreign visitors seemed increasingly to imply that their perception of the Soviet threat had diminished. A view apparently has emerged that Russia is "feinting in the East while attacking in the West."

The Chinese have at times seemed equally threatening to the Soviets. When the ideological conflict spilled over into military incidents, the Russians may have feared Chinese designs on their territory. Russian leaders spoke often about a "Yellow Peril" -- a phrase which easily rekindles old public passions-- and tried to use their considerable influence with other communist countries and parties to censure Chinese actions as detrimental to the worldwide communist movement. Privately, the Russians might have considered a pre-emptive strike against China's nuclear capacity but might well have been warned off by the U.S. as an expression of detente in a multi-polar world.

Considerable disagreement arose at the conference over how, or even whether, the Sino-Soviet conflict might be settled. Most felt that while Mao and the older revolutionary leaders remained in power, there would be little chance for any lasting accommodation between the two countries. But how new leaders might look upon a conflict that was draining valuable resources is another question. Might they seek to prolong the dispute, finding the "external threat" a useful ploy in forging national unity? Might some of the post-Mao leaders seize upon a resolution for the dispute as one way of forcing a political showdown within the Party?

The Russians also might be able to entice China's new leaders into a less hostile relationship, perhaps through military aid, trade concessions, or border-area compromises. Such activities would involve a balancing out of each country's interests but, in the view of the participants, were contingent upon a prior Chinese disposition to moderate the current hostilities.

In this context, the views of China's military leaders about Soviet intentions and China's future defense needs are critically important. One analyst suggested that certain military leaders, whose careers have been confined mainly to China's northern provinces, have an interest in accenting the Soviet threat. Accordingly, they may have played down the need to expand the navy, viewed the

U.S. as an old imperialist power on the wane, and argued that Taiwan, while an integral part of China, is an unimportant outpost in the China Sea whose recovery can be delayed for the time being. Concurrently, they may have stressed the need for armaments along the Soviet border, for military hardware for use in a land war, and for training ground forces. Other military figures, trained and stationed in the South, may have vested interests in seeing the United States and Japan, not the USSR, as the primary threats to Chinese security, and thus favor the development of a large navy, the recovery of the strategically important island of Taiwan and the construction of long-range weapons (planes and missiles). He felt that although the "northern" position currently prevailed, it probably includes a variety of views, and that some "southern" leaders now beginning to hold national leadership positions (the head of China's naval forces, for example, now sits on the Politburo) may be able to force an overall re-evaluation of Chinese defense policy.

What role does China see the United States playing in this dispute? Might the new American relationship, conceived at a time of Sino-Soviet confrontation, become less important, even expandable, in a future era of Sino-Soviet accommodation? In the view of several panelists, the Chinese view the American military presence in Asia, especially the U.S. navy, as a balance to Soviet expansion in the area. Therefore, even while desiring an eventual U.S. military withdrawal, they are not now demanding a major reduction in that presence. In fact, some participants argued, if the United States does withdraw from East Asia, the Chinese might see the American role as inconsequential and thus be tempted to seek an accommodation with the Soviets. An American pullback at this time might also exacerbate Sino-Japanese relations, since it could conceivably initiate a naval race between the two countries to protect their interests in the sea around China.

Other panelists believe that the Chinese clearly desired an early U.S. withdrawal from certain areas (especially Taiwan and Indo-China), and that this would not lead either to a lessening of America's military credibility or to any of the alternatives mentioned above. They also thought that given its new relationship with the United States, China was striving to create the appearance rather than the reality of agreement on military issues, since this might be sufficient to deter the USSR from any hostile action. But, as other speakers noted, the credibility of this "appearance" would depend upon what the U.S. actually tells the Russians about American intentions toward the People's Republic.

IV. CHINESE-ASIAN RELATIONS

The Chinese government has repeatedly assured foreign visitors and diplomats that the current "Anti-Confucius" campaign would not cause China to turn inward or withdraw from participation in international affairs (as it did during the Cultural Revolution). Quite to the contrary, Peking recently has placed great emphasis on developing state-to-state and trade relations with many countries with which it formerly had no contact, e.g. Malaysia, Thailand, even the Philippines. But behind this general appearance of improved relationships, China faces some important problems, notably in her dealings with Korea, Indo-China, Japan and India.

A. Korea

Historically, China has viewed the Korean peninsula as an important strategic area which, as seemed possible in 1950, could be used to invade China if controlled by an unfriendly power. Today, Korea looms even larger in Chinese strategic thinking because Chinese, American, Russian, and Japanese interests

in the peninsula are a potentially explosive combination. If North Korea were aligned with Russia, or part of a unified Korea under American, Soviet, or even Japanese influence, the Chinese might well feel sufficiently threatened to take military action to secure her borders.

The North Koreans, whose own relations with Russia have cooled somewhat in recent years, have fully exploited China's fears. In the view of some conference participants, the North has maneuvered China into backing its various demands vis a vis the South and has used Chinese diplomatic leverage to prevent its other socialist allies from seeking diplomatic relations with the South.

Others, however, thought that Peking has taken a leading role in convincing Pyongyang to talk seriously with the South on reducing tensions in the peninsula. Reflecting its decision not to seek a major reduction of American power in East Asia, China has not pressed forcefully for the removal of U.S. forces in Korea.

One participant suggested that no real disagreement existed in these views, since possibly they reflected the usual disparity between public rhetoric and private action.

B. Indo-China

Since mid-1973, the Chinese have made relatively few public statements about Indo-China. In one view, this is because things basically have been going their way, with little need to reiterate their position except during ceremonial visits by Indo-Chinese revolutionary delegations. However, if North Vietnam should seek to expand its influence into Cambodia and Laos, China would be faced with an extremely difficult decision: to quietly encourage the North or to place a brake on its activities in order to preserve both the potential for China's own preeminence in Southeast Asia and progress in detente.

A related and potentially destabilizing influence on Chinese policy would

be increased American support for South Vietnam and Cambodia. While continuing to withdraw troops, the United States has shown little inclination to reduce its financial, technical, and diplomatic presence in Indo-China. If the United States and China should find their interests becoming significantly incompatible, then another Indo-China confrontation (though probably not a war) between the two countries could become a reality.

C. Japan

Some conference participants thought that within ten years Japan, rather than Russia or the United States, will be China's principal protagonist in Southeast and Northeast Asia. However, in their view, the competition would be largely economic rather than military or political. Other panelists challenged this view as unrealistic, believing that if either the U.S. or the USSR saw their influence waning in the area, they would use all available leverage to reclaim an active role.

Still others conceded that there are potential points of friction between the two countries, but argued that China, in an effort to defuse Japanese domestic opposition to relations with the P.R.C., will remain sympathetic to Japanese concerns, encourage further expansion of trade (perhaps notably through oil sales), and even allow Japan to enjoy special economic privileges in Taiwan. These participants discounted the possibility of a major arms race in East Asia, and saw virtually no chance of Japan developing a nuclear arsenal.

D. India

China's relations with India have been marked by considerable friction in the past decade -- notably the Sino-India border war in 1962, and the India-Pakistan War over East Pakistan (Bangladesh) in 1973. Recently, following India's explosion of a nuclear device, the friction in the Chinese-Indian rela-

tionship has been exacerbated and the potential for conflict has been increased in the event that one side incorrectly assesses the intentions of the other. Chinese defense considerations in South Asia have also undergone modification. China sees itself in the role of friend and ally to Pakistan, while India is the guarantor of Bangladesh's security, and the Soviet Union in turn has emerged as one guarantor of India. With this line-up, the South Asia subcontinent, a land mass of great poverty and equally great factionalism, could, in the view of several speakers, become the area of the next major international conflagration.

V. INTERNATIONAL ECONOMIC ISSUES

China's approach to international economic questions has increasingly been framed within her own policy of "independence and self-reliance." One conferee noted that the Arab-Israeli October War, the oil embargo, and the subsequent "energy crisis" have enabled China to depict the West as being in disarray and an unreliable source of economic and military assistance for third-world countries. When Chinese Vice-Premier Teng Hsiao-p'ing spoke at the Special Session of the United Nations General Assembly on April 10, 1974, he strongly reiterated a policy which the Chinese had been proclaiming for the past year: support for the developing countries in establishing regional cooperatives for the production and distribution of raw materials. Teng specifically cited the Arab States' use of oil as an economic tool to increase their diplomatic and political leverage: "The oil battle has broadened people's vision. What has been done in the oil battle should and can be done in the case of other raw materials."

Some participants saw this statement as a bid by China to play a leading role in reforming the international economic system. They cautioned, however, that should such coalitions of producers emerge, China would appear to be a

leader of the new "have" countries rather than a supporter of the majority of third-world countries. The latter have already been hurt by the rise in world prices of raw materials and would suffer even more if newly formed cooperatives boost prices further. Yet, if the Chinese also seek to negotiate reductions of raw material prices for the poorer countries alone, they may be taking an even greater political risk, since it could lead to retaliation from the industrialized countries, e.g. by withholding much-needed financial and technical assistance.

Other participants questioned whether China, which is not yet a major exporter of raw materials, could actually become the leader of such regional producer units. They acknowledged the importance of China's moral support in the formation of such units, but doubted that she could capture the role of de facto leader. These speakers also cautioned against overgeneralizing about raw material policies on the basis of the oil boycott, seeing the boycott as a political weapon in a unique diplomatic situation which would have few parallels elsewhere. They also noted that, for the most part, what the Chinese were counseling was essentially national self-reliance -- not a particularly satisfying notion for areas with an overabundance of one trading commodity, while facing serious shortages of most basic necessities.

Another major issue on which the Chinese could have an important impact is control of the world's seabeds, and the related question of defining a nation's "territorial waters" -- issues that will be taken up at the United Nations Law of the Sea Conference in coming years. China currently claims jurisdiction over waters within 200 miles (in comparison to the U.S. claim of 12 miles), and maintains that the Convention issued at the First Law of the Sea Conference (Geneva, 1958) is an instrument of the superpowers seriously in need of revision. Although it was generally felt that China's position is negotiable,

just how much they may be willing to compromise is another question; quite possibly, the disparity between the maximum and minimum positions (some countries want jurisdiction limited to only 3 miles) may prevent any significant treaty from emerging, an outcome on which China could have an important influence.

Though there certainly were many other economic issues worth discussing (e.g. Chinese reaction to international monetary reform, participation in the World Bank and other international aid organizations, etc.) special attention was given to the potential for Sino-foreign joint ventures in developing China's natural resources. Thus far, Peking has expressed no interest in such enterprises, preferring instead to purchase technical knowledge and machinery directly and avoiding any implication of a dependency relationship. However, some participants suggested that Chinese leaders might become more interested in serious discussions of joint ventures once they decided what kind of long-term relationship they wish to develop with the international market community generally.

VI. INTERNATIONAL SECURITY AND ARMS CONTROL ISSUES

A. Navy

Since the late 1960s, China has been building destroyer escorts at a rate which has outpaced U.S. production of similar craft during the Second World War. At the same time, they have been expanding their submarine fleet, modifying the basic design inherited from the Soviets to meet Chinese needs.

In the view of some conference participants, the Chinese navy has now reached a point of development where it not only provides the P.R.C. with a credible coastal defense but also with an instrument for leverage in foreign policy decisions. Some thought that, as China increases its production of other surface vessels, it would be able effectively to control the sea lanes

around China, Japan, and Korea. Others, however, thought that a Chinese navy of this strength was still many years away. In fact, they expressed surprise that China had not moved faster in developing its naval capabilities, and saw the Chinese navy as currently able, at best, only to defend the China coast itself. They also argued that any major push for naval development would have to be at the expense of other military projects; and given the priority that China places on land forces and on developing the non-military domestic economy, they considered rapid naval expansion to be highly unlikely.

B. Nuclear Weapons and Arms Control

A qualitative change in China's nuclear capability could well occur within this decade, perhaps with the development of a second-strike force. But until that change occurs and while China remains a second-class nuclear power, it will not be seriously interested in international or bilateral discussions of strategic arms limitations. Instead, the Chinese have made recommendations specifically designed to assure a negative response from other nuclear powers: the complete prohibition and destruction of nuclear weapons, the dismantling of all military bases in foreign territories, etc.

Although the idea was not widely shared, one speaker asked whether the United States ought not help China develop a second strike force and to stabilize its weapons system. This could be accomplished, he suggested, in joint meetings of Chinese and American arms specialists at which discussions centered on the transfer of defensive rather than offensive nuclear technology and the provision to China of sophisticated American "command and control" technology. Two areas where some conference participants felt progress might be made were in the selective declassification of U.S. military technology that the Chinese might wish to purchase (trucks, computers, etc.) and the initiation of bilateral

discussions regarding the prevention of nuclear accidents. If, for example, China's effective defense warning capability could be refined and lengthened in time through the application of advanced American technology, Chinese response to a perceived nuclear threat might be more cautious and deliberate than under present conditions.

Several participants felt that this kind of technological exchange was probably not feasible in piecemeal fashion and, in any case, was at least a decade away; others saw such steps as improbable even then because of Soviet pressures and objections. But again, as in the earlier discussion about MFN for China, many urged that any actions which might be beneficial to the United States and reduce the possibility of nuclear confrontation should be taken independently of any foreign admonitions and concerns.

* * * * * * * * * * *

In considering the many and complex factors which shape United States-China relations, conference participants were reluctant to offer detailed predictions of its likely course. The rapidity with which events in some respects already have overtaken the discussions of certain issues underscores the wisdom of their caution. Still, for most participants, the conference proved timely and useful in itself by integrating the diversity of elements (and their interpretations) which affect both countries' foreign policies and hence both our futures.

It is hoped that this conference report will prove equally helpful to students and non-specialists interested in discussing and learning about United States-China relations in the months and years ahead.

PROSPECTS FOR UNITED STATES-CHINA RELATIONS

Wingspread - May, 1974

List of Participants

A. Doak Barnett
The Brookings Institution
1775 Massachusetts Avenue, N.W.
Washington, D.C. 20036

Robert W. Barnett
The Asia Society
112 East 64th Street
New York, New York 10021

Richard Baum
Department of Political Science
University of California at
Los Angeles
Los Angeles, California 90024

Gordon Bennett
Department of Government
University of Texas
Austin, Texas 78712

Jerome A. Cohen
Harvard Law School
Harvard University
Cambridge, Massachusetts 02138

Alexander Eckstein
Department of Economics
University of Michigan
Ann Arbor, Michigan 48104

Albert Feuerwerker
Department of History
Center for Chinese Studies
University of Michigan
Ann Arbor, Michigan 48104

Edward Friedman
Department of Political Science
The University of Wisconsin-
Madison
Madison, Wisconsin 53706

Robert Goldberg
National Committee on United States-
China Relations, Inc.
777 United Nations Plaza
New York, New York 10017

Joyce Kallgren
Center for Chinese Studies
University of California
Berkeley, California 94720

Robert Keatley
Wall Street Journal
245 National Press Building
Washington, D.C. 20004

D.W.Y. Kwok
Asian Studies Program
University of Hawaii
1890 East West Road
Honolulu, Hawaii 96822

John W. Lewis
Institute of Political Studies
Stanford University
Stanford, California 94305

Victor H. Li
Stanford Law School
Stanford University
Stanford, California 94305

Henry C.K. Liu
Liu Urban Design
919 Third Avenue
New York, New York 10022

Nicholas Ludlow
National Council for United States-
China Trade
1100 - 17th Street, N.W.
Washington, D.C. 20036

Douglas P. Murray
National Committee on United States-China Relations, Inc.
777 United Nations Plaza
New York, New York 10017

Michel Oksenberg
East Asian Institute
International Affairs Building
Columbia University
New York, New York 10027

Dwight H. Perkins
Department of Economics
Harvard University
Cambridge, Massachusetts 02138

Lucian W. Pye
Department of Political Science
Massachusetts Institute of Technology
Cambridge, Massachusetts 02138

Thomas W. Robinson
Council on Foreign Relations
58 East 68th Street
New York, New York 10021

Robert Scalapino
Department of Political Science
University of California
Berkeley, California 94720

Susan L. Shirk
3901 Sierra Drive
Austin, Texas 78731

Gaddis Smith
Department of History
Yale University
New Haven, Connecticut 06511

Richard H. Solomon
National Security Council
Old Executive Building
Washington, D.C. 20506

Tang Tsou
Department of Political Science
University of Chicago
Chicago, Illinois 60637

Peter Van Ness
Woodrow Wilson International Center for Scholars
Smithsonian Institute Building
1000 Jefferson Drive, S.W.
Washington, D.C. 20560

Allen S. Whiting
Center for Chinese Studies
University of Michigan
Ann Arbor, Michigan 48104

William W. Whitson
The Rand Corporation
2100 M Street, N.W.
Washington, D.C. 20037

Charles W. Yost
National Committee on United States-China Relations, Inc.
777 United Nations Plaza
New York, New York 10017

THE JOHNSON FOUNDATION PROGRAMS IN UNITED STATES-CHINA POLICY

The interest of The Johnson Foundation in the People's Republic of China dates to the earliest days of this Foundation. Since 1959, when The Johnson Foundation and the University of Cincinnati joined in a Seminar on United States-China Policy, the topic of United States relations with China has been an active part of the Foundation's program commitment to international understanding.

A Wingspread conference on United States Conflict with the Sino-Soviet Bloc in Southeast Asia was held in 1962 in cooperation with The Brookings Institution and four midwestern universities.' In 1965 the Foundation provided for participation of representatives of national organizations in one of the earliest national conferences on United States-China policy convened in Washington, D.C. by the American Friends Service Committee and American and Georgetown Universities.

A major effort in 1966 was support of an International Conference on Mainland China, held at the University of Chicago. Scholars from the United States, Canada, England, Sweden, Czechoslovakia and Hong Kong participated, with news correspondents and others who had recently visited or studied in Mainland China. About 1,500 persons from midwestern states attended the public sessions. This event provided one of the early opportunities for Americans in the Midwest to learn about China from persons who had visited the People's Republic of China. It is significant to recall that at that time United States citizens were not free to enter Mainland China; therefore the principal sources of information were journalists and scholars from other countries.

In 1967 the Foundation supported two additional programs at the University of Chicago: seminars for news media representatives and educators on Communist China: Perspectives and Policies, and The Sino-Soviet Conflict and Its Implications for United States Policy.

Mainland China in the 1970's was the subject of a mid-1970 Wingspread briefing for businessmen, journalists and teachers. Six young China scholars analyzed the probable actions of the People's Republic of China as an economic force, recognizing the growing probability that it would become an important factor in the economic policy of the United States and Asian nations in the 1970's. Co-convenor of this Wingspread briefing was The Asia Society, which published a conference report that is still available from the Foundation.

Following the diplomatic breakthrough and President Nixon's 1972 visit to China, the thrust of Johnson Foundation programs in this area turned to programs which would increase Americans' awareness of contemporary Chinese society and culture through direct contact. Much of the Foundation's activity in this field has been carried out in cooperation with the National Committee on United States-China Relations, Inc. and the Committee for Scholarly Communication with the People's Republic of China of the National Academy of Sciences.

In September 1972, representatives of 24 national educational, religious, civic and cultural organizations attended a Wingspread roundtable discussion of Exchanges with the People's Republic of China. The conference, convened by the National Committee, brought together several persons who had already visited China, who gave advice on approaches and procedures for arranging visits. Major attention was also given to stimulating Chinese visits to the United States.

A short time later, the National Committee on United States-China Relations was invited to send a delegation of Board members and staff to visit the People's Republic of China. The Johnson Foundation provided partial support for this December 1972 visit, which included some of the most distinguished China scholars in the United States.

China in the Schools: Priorities and New Directions, another 1972 Wingspread conference, drew together leaders from various educational constituencies to consider what could and should be done to improve teaching about China in the second-

ary schools. The conference was sponsored by the National Committee on United States-China Relations in cooperation with The Center for War/Peace Studies. A report on this conference is available from The Johnson Foundation.

Cornell University's Center for International Studies received a 1972 Johnson Foundation grant for their Peace Studies Program which enabled members of the Cornell University faculty to visit the Embassy of the People's Republic of China in Ottawa, Canada, and the headquarters of the People's Republic of China Mission to the United Nations in New York City. During 1972-73 Cornell University faculty members from several disciplines met with members of the Chinese Embassy for discussions of areas of common concern.

A Stanford University Project on Leadership Personnel, the Arts, and Revolutionary History of China was conducted with Johnson Foundation support in 1972/73. The study was directed by Professor Roxane Witke, who had been granted extensive interviews with Chiang Ch'ing, the wife of Mao Tse-Tung, and had been given valuable resource materials during a visit to China in 1972.

Professor Witke described her experiences in China at a 1974 Wingspread conference on Women in the People's Republic of China: American Perspectives, attended by over 100 women from throughout the United States.

In 1973, The Johnson Foundation, the National Committee on United States-China Relations and the Committee for Scholarly Communication with the People's Republic of China convened three Wingspread conferences devoted to aspects of life in the People's Republic of China. The topics of the Wingspread conference were: Education in the People's Republic of China; Science in the People's Republic of China; and Health Care in the People's Republic of China.

Wingspread Reports summarizing these three Wingspread conferences have been published by The Johnson Foundation and are available to interested persons who wish to write for them.

As part of The Johnson Foundation's public affairs radio series

CONVERSATIONS FROM WINGSPREAD

which is broadcast weekly in the United States, the following programs have been prepared on the subject of China:

-- The United States and China
-- A Visit to China
-- China after the Cultural Revolution
-- Education in China
-- Health Care in China
- Science in China
-- United States-China Cultural Exchanges
-- One of the World's Most Influential Women: A Profile of Madam Mao

Those who may find use for these radio tapes for educational purposes -- teaching, group discussion or library use -- may obtain copies without cost by writing to The Johnson Foundation.

With a continuing interest in international affairs, The Johnson Foundation is now planning new programs to advance understanding between the United States and the People's Republic of China.

The Johnson Foundation
Racine, Wisconsin 53401

January 1975

WINGSPREAD
THE CONFERENCE PLACE

The building Frank Lloyd Wright called Wingspread, situated on a rolling prairie site just north of Racine, Wisconsin, was designed in 1938 as a residence for the Johnson family. In 1960, through the gift of Mr. and Mrs. H.F. Johnson, it became the headquarters of The Johnson Foundation and began its career as an educational conference center.

In the years since, it has been the setting for many conferences and meetings dealing with subjects of regional, national, and international interest. It is the hope of the Foundation's trustees that Wingspread will take its place increasingly as a national institution devoted to the free exchange of ideas among peoples.

The rolling expanse of the Midwestern prairies was considered a natural setting for Wingspread. In the limitless earth the architect envisioned a freedom and movement. The name Wingspread was an expression of the nature of the house, reflecting aspiration through spread wings — a symbol of soaring inspiration.

00052